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Washington, Thursday, October 19, 1939

The President

ARMISTICE DAY—1939

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS twenty-one years ago, on November 11, 1918, the nations then engaged in the World War agreed to an armistice terminating hostilities; and

WHEREAS Senate Concurrent Resolution 18, Sixty-ninth Congress, passed June 4, 1926 (44 Stat. 1982), reads in part:

"That the President of the United States is requested to issue a proclamation calling upon the officials to display the flag of the United States on all Government buildings on November 11 and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies expressive of our gratitude for peace and our desire for the continuance of friendly relations with all other peoples"

and the act approved May 13, 1938 (52 Stat. 351), provides that "the 11th day of November in each year, a day to be dedicated to the cause of world peace and to be hereafter celebrated and known as Armistice Day, is hereby made a legal public holiday"; and

WHEREAS, in the tragic situation in which the world finds itself today, with the destructive forces of war once again unleashed, it is appropriate for the people of the United States to reflect upon that hour of November 11, 1918, when the voices of war were silenced, and to look forward even now to a time when a just and enduring peace shall be established among all the peoples of the earth;

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, do hereby direct that on November 11, 1939, the flag of the United States be displayed on all Government buildings, and I invite the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 16th day of October, in the year of our Lord nineteen hundred and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-fourth.

[SEAL]

FRANKLIN D ROOSEVELT

By the President:

CORDELL HULL
Secretary of State.

[No. 2369]

[F. R. Doc. 39-3846; Filed, October 18, 1939; 11:13 a. m.]

CLOSED AREA UNDER THE MIGRATORY BIRD TREATY ACT, VIRGINIA

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS the Secretary of the Interior has submitted to me for approval the following regulation adopted by him on October 4, 1939, under authority of the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755), and Reorganization Plan No. II, transmitted to the Congress May 9, 1939:

REGULATION DESIGNATING AS CLOSED AREA CERTAIN LANDS AND WATERS ADJACENT TO THE BACK BAY MIGRATORY WATERFOWL REFUGE, VIRGINIA

By virtue of and pursuant to the authority contained in section 3 of the Migratory Bird Treaty Act of July 3, 1918 (40 Stat. 755, 16 U.S.C. 704), and Reorganization Plan No. II, transmitted by the President to the Congress May 9, 1939, there is hereby designated as closed area in or on which pursuing, hunting, taking, capturing, or killing, or attempting to take, capture, or kill, migratory birds is not permitted, all areas of land and water adjacent to the Back Bay Migratory Waterfowl Refuge, in Princess Anne County, Virginia, not now owned by the United States within the following-described exterior boundary:

Beginning at a point S. 34°02′ E., 35.18 chains, from U. S. C. & G. S. Triangulation Station "Club", and about one-half mile south of the Little Island Coast Guard Station, on the Atlantic Ocean shore, marked with a U. S. Biological Survey standard concrete post;

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Thence along the Atlantic Ocean shore, with the meanders thereof,

S. 23°58′ E., 36.61 chains;
S. 18°50′ E., 10.24 chains;
S. 24°52′ E., 10.24 chains;
S. 24°07′ E., 10.57 chains;
S. 25°15′ E., 10.43 chains;
S. 24°59′ E., 11.61 chains;
S. 24°32′ E., 24.70 chains;
S. 24°01′ E., 11.15 chains;
S. 22°26′ E., 11.64 chains;
S. 20°07′ E., 14.49 chains;
S. 22°15′ E., 23.54 chains;
S. 19°20′ E., 12.11 chains;
S. 22°37′ E., 23.71 chains;
S. 22°51′ E., 22.14 chains;
S. 18°44′ E., 10.62 chains;
S. 24°19′ E., 11.05 chains;
S. 17°52′ E., 10.90 chains;
S. 19°22′ E., 11.05 chains;
S. 17°56′ E., 10.68 chains;
S. 14°40′ E., 22.66 chains;
S. 19°57′ E., 12.19 chains;
S. 17°02′ E., 9.79 chains;
S. 20°26′ E., 7.51 chains, to a point;

Thence inland,

S. 87°59′ W., 97.21 chains, to a point on the east shore of Sand Bay;

Thence in Sand Bay,

West, to a point 22.73 chains east of the eastern edge of the Ragged Islands;

Southerly, with a line parallel to, and easterly 22.73 chains distant from, the eastern edge of the Ragged Islands;

West, 22.73 chains, to the southernmost point of the Ragged Islands;

Thence in Back Bay,

Northwesterly, approximately 190.00 chains, to the southwestern extremity of Haul Over Island at Rocky Point;

Thence in Red Head Bay,

Northeasterly, approximately 16.00 chains, to the northwestern extremity of Haul Over Island, near North Point on said island;

Northeasterly, approximately 78.00 chains, to Heaven Point on the Ragged Islands;

Northwesterly, approximately 42.00 chains, to the southwestern extremity of a marshy island lying southwest of Long Island, and immediately north of Little Narrows;

Northerly, approximately 37.00 chains, to a point on the western edge of a marshy island lying west of Long Island, and east of Great Narrows;

Thence across Great Narrows,

Westerly, approximately 23.00 chains to a point on the eastern edge of a marshy island bounded by Great Cove, Great Narrows, Red Head Bay, and Long Point Creek;

Thence along the eastern edge of said island with the meanders thereof,

S. 34°47′ W., 3.43 chains;
S. 13°21′ E., 2.80 chains;
S. 12°59′ W., 2.70 chains;
S. 6°45′ E., 3.80 chains;
S. 27°28′ W., 4.00 chains;
S. 2°26′ E., 2.73 chains;
S. 24°00′ W., 1.12 chains;
S. 41°31′ E., 1.88 chains;
S. 56°11′ W., 1.44 chains;
S. 30°42′ W., 3.09 chains;
S. 56°50′ W., 2.90 chains, to a point on the southeastern extremity of said island;

Thence in Red Head Bay,

Westerly, approximately 34.00 chains, to the southwestern extremity of Long Point Island;

Northwesterly, approximately 43.00 chains, to a point on East Head Bay Point, at the entrance to Head Bay Cove;

Thence across Head Bay Cove,

Northwesterly, approximately 11.00 chains, to a point on West Head Bay Point;

Thence across marsh,

N. 80°35′ W., 43.24 chains, to a point in the line between marsh and fast land;

Thence between marsh and fast land,

N. 23°17′ E., 11.16 chains;
N. 16°29′ W., 11.90 chains;
N. 1°57′ W., 2.35 chains;
N. 12°58′ E., 6.95 chains;
N. 2°04′ E., 2.05 chains;
N. 25°44′ W., 2.47 chains;
N. 7°38′ E., 10.63 chains;
N. 25°14′ W., 0.56 chain, to a point;

Thence across marsh;

S. 73°22′ E., 34.50 chains;
S. 74°04′ E., 16.02 chains;
N. 8°00′ E., 5.92 chains, to a point on the west shore of Cedar Creek Cove;

Thence along west shore of said Cove,

Northerly, approximately 2.50 chains, to a point;

Thence across marsh,

N. 8°00′ E., 5.83 chains;
N. 18°35′ W., 4.68 chains, to a point on the southeast shore of Sylvesters Cove;

Thence along the shore of Sylvesters Cove, with the meanders thereof,

N. 22°39′ E., 2.56 chains;
N. 82°05′ E., 2.44 chains;
S. 78°03′ E., 3.32 chains, to a point on the west bank at the mouth of ditch connecting said cove and Cedar Creek Cove;

Thence across said ditch,

Northeasterly, approximately 0.50 chain, to a point on the south shore of Shipps Bay;

Thence in Shipps Bay,

Northeasterly, approximately 19.00 chains, to a point on the north bank at the mouth of Kemps Creek, at Shipps Bay;

Thence along the shore of Shipps Bay with the meanders thereof,

N. 22°06′ E., 5.39 chains;
N. 39°34′ E., 1.75 chains;
N. 60°47′ E., 9.07 chains;
N. 28°05′ E., 2.80 chains;
N. 36°40′ E., 3.07 chains;
N. 1°27′ E., 2.61 chains;
N. 12°15′ E., 1.74 chains;
N. 89°05′ E., 5.82 chains;

Thence in Shipps Bay,

Northeasterly, approximately 35.00 chains, to the northwestern extremity of Augers Island Bend;

Northeasterly, approximately 25.00 chains, to the most northerly point of Walkers Island Point;

Northeasterly, approximately 102.00 chains, to the most northerly point of Long Island at the mouth of Deep Creek;

Thence across Deep Creek,

Easterly, approximately 22.00 chains, to a point on the east shore at the mouth of Deep Creek at Shipps Bay;

Thence across marsh and sand flats,

East, 25.22 chains, to the point of beginning.

AND WHEREAS upon consideration it appears that the foregoing regulation will tend to effectuate the purposes of the aforesaid Migratory Bird Treaty Act:

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, under and by virtue of the authority vested in me by the aforesaid Migratory Bird Treaty Act, do hereby approve and proclaim the foregoing regulation of the Secretary of the Interior.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this sixteenth day of October in the year of our Lord nineteen hundred [SEAL] and thirty-nine, and of the Independence of the United States of America the one hundred and sixty-fourth.

FRANKLIN D ROOSEVELT

By the President,

CORDELL HULL
Secretary of State.

[No. 2370]

[F. R. Doc. 39-3847; Filed, October 18, 1939; 11:13 a. m.]

Rules, Regulations, Orders

TITLE 16—COMMERCIAL PRACTICES

FEDERAL TRADE COMMISSION

[Docket No. 1846]

IN THE MATTER OF MAGNECOIL COMPANY, INC.

§ 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* § 3.6 (x) *Advertising falsely or misleadingly—Results.* Representing, in connection with offer, etc., in commerce, of respondent's blankets or other devices fitted with wires or other conductors for transmission of electric current, that the use of said products has any therapeutic value in the treatment of any ailment, disease, disorder or condition of the human body other than that which is obtained by the application of heat to the exterior of the body or any part thereof, or produces any radio-magnetic or thermo-electro magnetism which will be transmitted to, or have any effect upon, the human body, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Magnecoil Company, Inc., Docket 1846, October 6, 1939]

§ 3.6 (l) *Advertising falsely or misleadingly—Indorsements and testimonials.* § 3.6 (dd10) *Advertising falsely or misleadingly—Success, use of standing:* § 3.18 *Claiming indorsements or testimonials falsely.* Representing, in connection with offer, etc., in commerce, of respondent's blankets or other devices fitted with wires or other conductors for transmission of electric current, that said products have been endorsed, tested, used, or recommended by hospitals, members of the medical profession, or any other parties, when such is not the fact, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Magnecoil Company, Inc., Docket 1846, October 6, 1939]

§ 3.6 (a) (1) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Authorities and personages connected with:* § 3.6 (a) (20) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Personnel of staff:* § 3.6 (a) (21) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Plant and equipment:* § 3.6 (a) (22) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Producer status of dealer—Laboratory.* Representing, in connection with offer, etc., in commerce, of respondent's blankets or other devices fitted with wires or other conductors for transmission of electric current, that respondent has or maintains a laboratory unless respondent owns, operates, or controls a scientific laboratory and employs trained scientists and technicians and is equipped to test its products in the manner and with the methods used by recognized scientific laboratories, or has an advisory or consulting board of medical experts for analyses or advice, unless and until such is the fact, or misrepresenting, in any manner, the extent or nature of the building space occupied by the respondent in the conduct of its business, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Magnecoil Company, Inc., Docket 1846, October 6, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 6th day of October, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondent, testimony and other evidence taken before Ellis DeBruler, and Miles J. Furnas, examiners of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, stipulations between counsel for the respondent and counsel for the Commission, which stipulations were made of record herein, brief in support of the allegations of the complaint (respondent not having filed brief and oral argument not having been requested), and the Commission having made its findings as to the facts and its conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent Magnecoil Company, Inc., its officers, representatives, agents, and employees, directly or through any corporate or other device in connection with the offering for sale, sale or distribution of its blankets or other devices fitted with wires or other conductors for the transmission of electric current, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing that the use of said products has any therapeutic value in the treatment of any ailment, disease, disorder or condition of the human body other than that which is obtained by the application of heat to the exterior of the body or any part thereof;
2. Representing that the use of said products produces any radio-magnetic or thermo-electro magnetism which will be transmitted to, or have any effect upon, the human body;
3. Representing that said products have been endorsed, tested, used, or recommended by hospitals, members of the medical profession, or any other parties, when such is not the fact;
4. Representing that respondent has or maintains a laboratory unless respondent owns, operates, or controls a scientific laboratory and employs trained scientists and technicians and is equipped to test its products in the manner and with the methods used by recognized scientific laboratories;
5. Representing that respondent has an advisory or consulting board of medical experts for analyses or advice, unless and until such is the fact.
6. Misrepresenting in any manner the extent or nature of the building space occupied by the respondent in the conduct of its business.

It is further ordered, That the respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which it has complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-3837; Filed, October 17, 1939; 3:50 p. m.]

[Docket No. 3304]

IN THE MATTER OF NATIONAL TRAINING INSTITUTE, INC., ET AL.

§ 3.6 (a) (9a) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Government connection:* § 3.6 (a) (31) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Unique status or advantages:* § 3.6 (f) *Advertising falsely or misleadingly—Demand or business opportunities:* § 3.6 (j) (1) *Advertising falsely or misleadingly—Government approval or connection—Civil Service Commission connections:* § 3.6 (m) *Advertising falsely or misleadingly—Jobs and employment service:* § 3.6 (y1) *Advertising falsely or misleadingly—Sci-*

entific or other relevant facts: § 3.72 (g) *Offering deceptive inducements to purchase—Job guarantee.* Representing, in connection with offer, etc., in commerce, of courses of study or instruction for Civil Service positions, that the respondents have any connection whatsoever with the United States Government or any agency thereof, or that respondents are able to secure any advance information with respect to appointments to Civil Service positions which is not available to the general public, or that Civil Service examinations are held at stated periods or at short intervals, or that such positions are always available and that the appointment of the purchasers of respondents' said courses of instruction to such positions is assured or guaranteed by the respondents, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, National Training Institute, Inc., et al., Docket 3304, October 9, 1939]

§ 3.69 (a) (6d) *Misrepresenting oneself and goods—Business status, advantages or connections—Government connection:* § 3.69 (a) (16) *Misrepresenting oneself and goods—Business status, advantages or connections—Unique status or advantages:* § 3.69 (b) (7.0a) *Misrepresenting oneself and goods—Goods—Jobs and employment:* § 3.69 (c) (5) *Misrepresenting oneself and goods—Prices—Usual as reduced or to be increased:* § 3.72 (b) *Offering deceptive inducements to purchase—Job guarantee:* § 3.72 (n) *Offering deceptive inducements to purchase—Special offers:* § 3.96 (b) (1a) *Using misleading name—Vendor—Government connection.* Representing, in connection with offer, etc., in commerce, of courses of study or instruction for Civil Service positions, that prospective students are selected by the respondents because of the superior qualifications and the standing in the community of such students, or that respondents recommend their students for Civil Service positions and that such recommendations are of value to students seeking such positions, or that the price of the respective courses of instruction is lower than the regular or usual price thereof, or that the price of such courses of instruction is about to be advanced unless and until such is the fact, or, through use of the word "National" or any similar word or words in the corporate or trade name, or in any other manner, that respondents have any connection with the United States Government or any agency thereof, or, through use of any contract form or any money-back agreement, or in any other manner, that a position with the United States Government is guaranteed to purchasers of said courses of instruction, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, National Training Institute, Inc., et al., Docket 3304, October 9, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission held at its office in the City of Washington, D. C., on the 9th day of October, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF NATIONAL TRAINING INSTITUTE, INC., A CORPORATION, AND JOHN C. FELBER, ARTHUR W. GROTH, AND LOUISE D. FELBER, INDIVIDUALLY, AND AS OFFICERS OF SAID CORPORATION

ORDER TO CEASE AND DESIST

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondents, testimony and other evidence taken before Miles J. Furnas and William C. Reeves, examiners of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, brief filed by William L. Pencke, counsel for the Commission, brief and oral argument having been waived by the respondents, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, National Training Institute, Inc., a corporation, its officers, and John C. Felber, Arthur W. Groth, and Louise D. Felber, and its and their respective representatives, agents and employees, directly or through any corporate or other device in connection with the offering for sale, sale or distribution of courses of study or instruction for Civil Service positions, in commerce as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing that the respondents have any connection whatsoever with the United States Government or any agency thereof, or that respondents are able to secure any advance information with respect to appointments to Civil Service positions which is not available to the general public;

(2) Representing that Civil Service examinations are held at stated periods or at short intervals;

(3) Representing that Civil Service positions are always available and that the appointment of the purchasers of respondents' said courses of instruction to such positions is assured or guaranteed by the respondents;

(4) Representing that prospective students are selected by the respondents because of the superior qualifications and the standing in the community of such students;

(5) Representing that respondents recommend their students for Civil Service positions and that such recommendations are of value to students seeking such positions;

(6) Representing that the price of the respective courses of instruction is lower than the regular or usual price thereof or that the price of such courses of instruction is about to be advanced unless and until such is the fact;

(7) Representing, through the use of the word "National" or any similar word or words in the corporate or trade name, or in any other manner, that respondents have any connection with the United States Government or any agency thereof;

(8) Representing, through the use of any contract form or any money-back agreement, or in any other manner, that a position with the United States Government is guaranteed to purchasers of said courses of instruction.

It is further ordered, That the respondents shall, within sixty days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 39-3838; Filed, October 17, 1939; 3:50 p. m.]

Notices

CIVIL AERONAUTICS AUTHORITY.

[Docket No. 253]

IN THE MATTER OF THE APPLICATION OF BRANIFF AIRWAYS, INC., UNDER SECTION 405 (E) OF THE CIVIL AERONAUTICS ACT OF 1938 FOR REVIEW OF CERTAIN ACTIONS OF THE POSTMASTER GENERAL AND ITS COMPLAINT, UNDER SECTION 411 OF SAID ACT, AGAINST CERTAIN UNFAIR PRACTICES AND METHODS OF COMPETITION OF AMERICAN AIRLINES, INC.

NOTICE OF POSTPONEMENT OF HEARING

Upon request of complainant public hearing in the above-entitled proceeding, now assigned for October 18, 1939,[1] is hereby postponed to November 15, 1939, 10 o'clock a. m. (Eastern Standard Time), at the Carlton Hotel, 923 16th St. NW., Washington, D. C., before an Examiner of the Authority.

Dated Washington, D. C., October 17, 1939.

By the Authority.

[SEAL] PAUL J. FRIZZELL, *Secretary.*

[F. R. Doc. 39-3845; Filed, October 18, 1939; 11:02 a. m.]

[1] 4 F.R. 4009 DI.

FEDERAL TRADE COMMISSION.

United States of America—Before Federal Trade Commission

[Docket No. 3927]

IN THE MATTER OF THE AMERICAN TOBACCO COMPANY, RESPONDENT

COMPLAINT

The Federal Trade Commission, having reason to believe that the respondent named in the caption hereof, and hereinafter more particularly designated and described, since June 19, 1936, has violated and is now violating the provisions of Section 2 of the Clayton Act as amended by the Robinson-Patman Act, approved June 19, 1936 (U.S.C., title 15, sec. 13), hereby issues this, its complaint, stating its charges with respect thereto as follows:

I

PARAGRAPH 1. Respondent is a corporation of the state of New Jersey. Its principal place of business is at 111 Fifth Avenue, New York City, New York. Its business is that of manufacturing, selling, and distributing cigarettes, cigarette tobacco, smoking tobacco, chewing tobacco, scrap, twist and plug tobacco, little cigars, cigars, and other tobacco products and sundries. It has places of business, factories, and warehouses in Durham, North Carolina, and in other places and states.

PAR. 2. At all times during the period hitherto, since June 19, 1936, respondent maintained and is now maintaining a continuous course of trade and commerce in said products among and between the several states in which respondent has had and now has places of business, factories and warehouses, and between each of such states and the several other states of the United States and the District of Columbia. Respondent, continuously during said period, while engaged in its business aforesaid, and in commerce, namely, trade and commerce as aforesaid, in the course of such commerce, sold, shipped, and distributed its products from the states in which respondent has had and now has places of business, factories, and warehouses, to various purchasers of its products, namely, distributors of tobacco products, located in such states and in the several other states of the United States and the District of Columbia, for use, consumption, and resale therein.

PAR. 3. Respondent, during the period aforesaid, as and when it determined to accept an order for its products and charge it to a certain distributor, designated such distributor as a "direct customer", known also sometimes as a "direct buying customer", and placed such distributor on its list, called a "direct list", and sometimes as a "list of direct customers". Among the purchasers of respondent's products on its "direct list" are jobbers and some retailers such as chain stores. Among the purchasers of respondent's products "not on direct list" are subjobbers and some retailers such as independent drug, grocery, and cigar stores. The latter purchasers are sometimes called "indirect customers" and "indirect buying customers", and include all distributors of respondent's products except those on its "direct list".

Respondent has extended and is now extending the relationship of seller and customer between it and retail distributors "not on direct list", by means of its many dealings with such distributors, in connection with the sale of its products, and particularly by the use of its many salesmen, sometimes referred to as "missionary men". Such salesmen have made many sales to such distributors. Respondent has shipped its products to many retail distributors "not on direct list", upon receipt of their orders instructing respondent to make such delivery, and to make its charges therefor against a particular jobber on respondent's "direct list" (such shipments being sometimes called "drop shipments"). Retail distributors to whom such sales are made, those to whom such shipments are made, and those with whom respondent has had dealings in connection with the sale of its products, are, by reason of respondent's acts and practices, in fact, customers of, and purchasers from, respondent. By means of such sales, shipments, and other dealings, respondent also extends its control over the prices at which its products are sold by all retail distributors to consumers. For illustration of a common practice of respondent in this connection, on May 6, 1938, respondent shipped to Poole Dry Goods Company of Springfield, Massachusetts, a retail distributor "not on direct list", pursuant to an order taken by one of its missionary men, a quantity of its tobacco products, and sent its invoice for such purchase to its jobber, Nemrow Bros., Inc., of said city, calling for payment of $752.60, less discounts of 10% and 2%, or $663.80. Said shipment included one hundred ten thousand six hundred Lucky Strike cigarettes priced in said invoice at $691.25 less discounts of 10% and 2%, or $609.69. Said shipment included 10 dozen 15¢ tins of Half and Half tobacco for which no charge was made in said invoice. Respondent's regular standard price to jobbers in said city for said Half and Half tobacco was $12.75, less discounts of 10% and 2%, or $11.24, and for all the tobacco products included in said shipment, it was $765.35, less discounts of 10% and 2%, or $675.05. Payment for said shipment was made by Poole Dry Goods Company by payment to said jobber, Nemrow Bros., Inc., of $752.60, less discounts of 10% and 1%, or $670.57. Respondent thus sold said tobacco products to Poole Dry Goods Company at a lower price than it was then selling products of the same kind and in the same quantities to jobbers in said city. After such shipment was received by Poole Dry Goods Company, prominent advertisements were placed by it in the daily newspapers of Springfield, Massachusetts, offering Lucky Strike cigarettes at 11½¢ a package, and $1.14 for a carton of ten packages, and such cigarettes were then sold to consumers in Springfield, Massachusetts, at such prices.

PAR. 4. Respondent, during the period aforesaid, listed the prices of its tobacco products and sundries in descriptive price lists published and distributed by it from time to time, and offered and allowed, as regular discounts from such prices, a 10 per cent discount, sometimes called a "trade discount", and after the deduction of such discount, a 2 per cent discount, sometimes called a "cash discount". List prices as reduced by such discounts are sometimes referred to as "standard prices". Respondent's standard prices serve as a basis for the standard prices of wholesalers and retailers.

Deviations from such standard prices have been effected by respondent during the period aforesaid as follows:

(a) Respondent's salesmen called upon certain retail distributors of respondent's products "not on direct list" and then and there solicited orders for certain of respondent's tobacco products from some of said distributors thus called upon; and upon taking orders from such distributors included in such orders substantial quantities of respondent's products of standard grade and quality and of material value, without making any specific charge therefor (such transactions being sometimes called "deals", "free deals", "combinations", and "gratis"). In some instances said salesmen made immediate delivery of such orders to the respective purchasers. In all other cases respondent's salesmen arranged to have the products included in such orders shipped by respondent directly to the respective purchasers (such transactions being sometimes called "drop shipment deals", and such shipments "drop shipments"). In cases where such orders were taken for delivery by the drop shipment method, the respective purchasers from whom such orders were taken, following the practices developed by respondent in such transactions, made arrangements with some particular jobber on respondent's "direct list" to have their respective orders charged to such jobber, and to pay such jobber the amount of their respective orders, being the list price of such products less an agreed amount. The amount which the retail distributors paid for the tobacco products included in such orders was, according to the practices thus developed, a sum substantially less than the amount which other competing retail distributors paid to jobbers of respondent's products for an equal quantity of tobacco products of like grade and quality purchased by them at the same time.

PAR. 5. By means of acts and practices, as aforesaid, and particularly those described above in paragraph four, respondent, during the period aforesaid, discriminated in price between different purchasers of commodities, to-wit, tobacco products, of like grade and quality; one or more of the purchases involved in such discriminations were in commerce; and such commodities were sold for use, consumption and resale within the United States and the District of Columbia. Respondent is now discriminating in price as aforesaid. The effect of such discriminations may be to injure, destroy and prevent competition with the purchasers from respondent who received the benefit of such discriminations and with the customers of such purchasers. Such discriminations constitute a violation of Subsection (a) of Section 2 of the Act of Congress aforesaid.

II

And the Federal Trade Commission, as and for a further and second count of its complaint, states:

PARAGRAPH 1. The Federal Trade Commission repeats and re-alleges as a part of this second count of this complaint, each and all of the allegations contained in paragraphs one, two, and three, of count one of this complaint, with like effect as if herein fully repeated, and incorporates herein all the facts therein set forth.

PAR. 2. Respondent, during said period, made and is now making valuable payments and gave and is now giving valuable considerations to certain distributors, such as chain stores and other retailers, selected by respondent for the furnishing by them of services and facilities, such as counter and window displays, for the advertising of respondent's products. Such payments and considerations were not and are not now available to other distributors competing in the distribution of respondent's products. Said practices were conducted in such manner as to result in giving certain distributors exclusively the benefits accruing from said payments and considerations.

For example, in carrying out such practices, respondent paid in 1938, as charged aforesaid, for window displays, $91,890.00 to United Cigar-Whelan Stores Corporation, of New York City, New York; $18,910.00 to Liggett Drug Company, Inc., of New York City, New York; and $5,838.69 to Crown Drug Company, of Kansas City, Missouri.

PAR. 3. By means of acts and practices, as aforesaid, and particularly those described above in paragraph two, respondent, during the period aforesaid, contracted to pay and paid, and is now contracting to pay and paying, to and for the benefit of certain of its customers, certain valuable payments and considerations, as compensation for, and in consideration for, certain services and facilities furnished by and through such customers in connection with the handling, sale, and offering for sale, of the tobacco products manufactured, sold, and offered for sale by respondent. Such payments and considerations were not, and are not now, available on proportionately equal terms to all other customers of respondent competing in the distribution of such products, and constitute a violation of Subsection (d) of Section 2 of the Act of Congress aforesaid.

III

And the Federal Trade Commission, as and for a further and third count of its complaint, states:

PARAGRAPH 1. The Federal Trade Commission repeats and re-alleges as a part of this third count of this complaint, each and all of the allegations contained in paragraphs one, two, and three, of count one of this complaint, with like effect as if herein fully repeated, and incorporates herein all the facts therein set forth.

PAR. 2. Respondent has allowed and is now allowing some direct customers a period of time of a certain definite length, for example, 60 days, for payment on a 2 per cent discount basis, sometimes called a "cash discount", of products ordered by and charged to them which it has not allowed and is not now allowing to other direct customers. The allowance of time for payment as aforesaid constitutes a service to respondent's customers which becomes of greater value as the length of such time is extended.

For example, respondent allowed, as charged aforesaid, its jobber Eli Witt Cigar Company, Tampa, Florida, 30 days for payment on said cash discount basis and, following its general rule applicable to jobbers, allowed other jobbers, competing in the distribution of respondent's products with said favored jobber, 10 days for payment on such basis.

PAR. 3. By means of acts and practices, as aforesaid, and particularly by the furnishing of the services described above in paragraph two, respondent, during the period aforesaid, discriminated and is now discriminating in favor of certain purchasers against certain other purchasers of respondent's products bought by them for resale. Such services were and are now furnished by respondent to such favored purchasers upon terms not accorded to all purchasers on proportionately equal terms, in violation of Subsection (e) of Section 2 of the Act of Congress aforesaid.

Wherefore, the premises considered, the Federal Trade Commission, on this 13th day of October, A. D., 1939, issues its complaint against said respondent.

NOTICE

Notice is hereby given you, The American Tobacco Company, respondent herein, that the 17th day of November, A. D. 1939, at 2 o'clock in the afternoon is hereby fixed as the time, and the offices of the Federal Trade Commission in the City of Washington, D. C., as the place, when and where a hearing will be had on the charges set forth in this complaint, at which time and place you will have the right, under said Act, to appear and show cause why an order should not be entered by said Commission requiring you to cease and desist from the violations of the law charged in the complaint.

You are notified and required, on or before the twentieth day after service upon you of this complaint, to file with the Commission an answer to the complaint. If answer is filed and if your appearance at the place and on the date above stated be not required, due notice to that effect will be given you. The Rules of Practice adopted by the Commission with respect to answers or failure to appear or answer (Rule VII) provide as follows:

In case of desire to contest the proceeding the respondent shall, within twenty (20) days from the service of the complaint, file with the Commission an answer to the complaint. Such answer shall contain a concise statement of the facts which constitute the ground of defense. Respondent shall specifically admit or deny or explain each of the facts alleged in the complaint, unless respondent is without knowledge, in which case respondent shall so state.

* * * * *

Failure of the respondent to file answer within the time above provided and failure to appear at the time and place fixed for hearing shall be deemed to authorize the Commission, without further notice to respondent, to proceed in regular course on the charges set forth in the complaint.

If respondent desires to waive hearing on the allegations of fact set forth in the complaint and not to contest the facts, the answer may consist of a statement that respondent admits all the material allegations of fact charged in the complaint to be true. Respondent by such answer shall be deemed to have waived a hearing on the allegations of fact set forth in said complaint and to have authorized the Commission, without further evidence, or other intervening procedure, to find such facts to be true, and if in the judgment of the Commission such facts admitted constitute a violation of law or laws as charged in the complaint, to make and serve findings as to the facts and an order to cease and desist from such violations. Upon application in writing made contemporaneously with the filing of such answer, the respondent, in the discretion of the Commission, may be heard on brief, in oral argument, or both, solely on the question as to whether the facts so admitted constitute the violation or violations of law charged in the complaint.

In witness whereof, the Federal Trade Commission has caused this, its com-

plaint, to be signed by its Secretary, and its official seal to be hereto affixed, at Washington, D. C., this 13th day of October, A. D., 1939.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 39-3839; Filed, October 18, 1939; 10:14 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 8th day of September, A. D. 1939.

[File Nos. 56-58, 46-168]

IN THE MATTER OF CONSOLIDATED ELECTRIC AND GAS COMPANY; AND IN THE MATTER OF J. B. WHITWORTH, J. C. M. LUCAS AND H. P. LUCAS, A CO-PARTNERSHIP TRADING AS J. C. M. LUCAS CO., AND JAMES PIPER

ORDER APPROVING APPLICATIONS

Consolidated Electric and Gas Company, a registered holding company, having filed an application, and an amendment thereto, pursuant to Rule U-12D-1 promulgated under Section 12 (d) of the Public Utility Holding Company Act of 1935, for the approval of the sale of certain securities of its subsidiary, Citizens Gas Company, consisting of 1300 shares of Common Stock, $50 par value, and $300,000 principal amount of 6% Unsecured Demand Notes, and certain securities of its subsidiary, Sussex Gas Company, consisting of 1102 shares of Common Stock, $25 par value, 1728 shares of Preferred Stock (noncumulative), $25 par value, $40,000 principal amount of First Mortgage 6% Gold Bonds, due November 1, 1943, and $110,-325.31 principal amount of 6% Unsecured Demand Income Note; J. B. Whitworth, J. C. M. Lucas and H. P. Lucas, a copartnership trading as J. C. M. Lucas Co., and James Piper, having filed an application pursuant to Section 10 (a) (1) of said Act for the approval of the acquisition of the said securities; said applications having been joined for hearing and the proceedings therein having been consolidated;

A public hearing on said applications, as amended, having been duly held after appropriate notice; the record having been examined, and the Commission having made and filed its findings herein:

It is ordered, That the applications, as amended, filed by Consolidated Electric and Gas Company, and by J. B. Whitworth, J. C. M. Lucas and H. P. Lucas, a co-partnership trading as J. C. M. Lucas Co., and James Piper, be and the same hereby are approved subject to the following terms and conditions, which are severally imposed upon the applicants insofar as they may be applicable to either of them:

(1) That all acts in connection with the said sale and acquisition of securities shall be performed in accordance with the terms and conditions of and for the purposes represented by the said applications, as amended.

(2) That within ten days after the said sale of securities, Consolidated Electric and Gas Company shall file with this Commission a certificate of notification stating that the sale has been effected in accordance with the terms and conditions of and for the purposes represented by its said application, as amended.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 39-3840; Filed, October 18, 1939; 11:01 a. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 13th day of October, A. D. 1939.

[File No. 51-20]

IN THE MATTER OF INTERNATIONAL UTILITIES CORPORATION

SUPPLEMENTAL ORDER

International Utilities Corporation, a registered holding company, having filed an application pursuant to Section 12 (c) of the Public Utility Holding Company Act of 1935 and Rule U-12C-2 adopted thereunder, for approval of the declaration and payment out of capital or unearned surplus of a dividend of $1.4375 per share on the $1.75 Preferred Stock on account of accumulated unpaid dividends; the present Findings, Opinion and Order of the Commission being pursuant to a provision of an order of the Commission on July 18, 1939, reserving jurisdiction as to approval of the declaration and payment of a dividend on the $1.75 Preferred Stock; subsequently, the applicant having amended such application to request approval of the declaration and payment out of capital or unearned surplus of the fourth quarterly dividend on the $3.50 Prior Preferred of 87½ cents per share aggregating $86,597.88;

A hearing on the application having been held after appropriate notice; [1] the record in this matter having been examined; and the Commission having made and filed its findings herein;

It is ordered, That the declaration and payment of a dividend of 87½ cents per share on the $3.50 Prior Preferred Stock (aggregating $86,597.88) and the declaration and payment of a dividend of 56¼ cents per share (aggregating $37,492.07) on the $1.75 Preferred Stock be approved, subject, however, to the following conditions:

(1) That the dividends allowed on the $3.50 Prior Preferred Stock and the $1.75 Preferred Stock shall be charged to capital surplus, and that the amount of such dividends so charged shall be restored to capital surplus from the first available earnings after December 31, 1938;

(2) That the applicant mail to the $3.50 Prior Preferred and $1.75 Preferred stockholders, concurrently with the payment of the dividends, a copy of the Commission's Findings and Opinion in this matter and notify them that the dividend payments are subject to the above condition; and

(3) That the applicant within ten days after the payment of the dividends, file with the Commission a certificate of notification showing that such dividends were declared and paid in accordance with the terms and conditions and for the purposes represented by said application.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 39-3841; Filed, October 18, 1939; 11:01 a. m.]

[1] 4 F.R. 2473 DI.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 16th day of October, A. D. 1939.

[File No. 46-99]

IN THE MATTER OF NY PA NJ UTILITIES COMPANY

ORDER CONSENTING TO WITHDRAWAL OF APPLICATION

Upon the request of the applicant, the Commission consents to the withdrawal of the application of the above-named applicant, and to that effect it is so ordered.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 39-3842; Filed, October 18, 1939; 11:01 a. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 17th day of October, A. D. 1939.

[File No. 56-40]

IN THE MATTER OF INDIANA & MICHIGAN ELECTRIC COMPANY, AMERICAN GAS AND ELECTRIC COMPANY

ORDER DESIGNATING NEW TRIAL EXAMINER AND SETTING MATTER FOR FURTHER HEARING

Indiana & Michigan Electric Company having filed an application pursuant to

Section 6 (b) of the Public Utility Holding Company Act of 1935 covering the issue and sale of certain securities; the matter having been duly set for hearing; the hearing having been held on June 16, 1939 at the offices of the Commission in Washington, D. C., and continued on the said date subject to the call of the Trial Examiner; an order thereafter having been issued by the Commission exempting the issue and sale of the said securities from the provisions of Section 6 (a) of the Act and reserving jurisdiction to determine, at a later date, whether the fees paid to the attorneys representing said Indiana & Michigan Electric Company and the insurance companies purchasing certain of said securities, and of the First Boston Corporation, in connection with the said transaction, are or are not reasonable; and a further hearing having been held at the offices of the Commission in the City of New York, before a newly designated Trial Examiner, on October 13, 1939 with respect to the reasonableness of the legal fees charged by Simpson, Thacher and Bartlett and Sullivan & Cromwell, and continued on the said date subject to the call of the Trial Examiner;

The Commission being of the opinion that a further hearing should be held at its offices in the City of Chicago, Illinois, with respect to the legal fees charged by

Seebirt, Oare and Deahl, South Bend, Indiana.

Condo, Van Atta and Batton, Marion, Indiana.

Burns and Hadsell, Niles, Michigan.

Butzel, Eaman, Long, Gust and Bills, Detroit, Michigan.

and the Trial Examiner who presided at the said original hearing and the new Trial Examiner designated to preside at the said hearing in the City of New York not being available to preside at the said hearing in Chicago;

It is ordered, That a further hearing be held at the office of the Securities and Exchange Commission, 630 Bankers Building, 105 West Adams Street, in the City of Chicago, Illinois, beginning November 3, 1939 at ten in the forenoon of that date, and that Henry Fitts, an officer of the Commission be, and hereby is, designated to preside at such continued hearing in the place and stead and with the same powers and duties as the Trial Examiner originally designated to preside in these proceedings.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-3843; Filed, October 18, 1939; 11:01 a. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 17th day of October, A. D. 1939.

[File No. 57-10]

IN THE MATTER OF CONSOLIDATED ELECTRIC AND GAS COMPANY

ORDER CONSENTING TO WITHDRAWAL OF APPLICATIONS

Consolidated Electric and Gas Company, a registered holding company, having applied pursuant to Rule U-12D-1 of the Public Utility Holding Company Act of 1935 for the approval of the sale of substantially all of the utility assets of three of its subsidiaries, Asheville Gas Company, Durham Gas Company and Raleigh Gas Company, to Charles B. Zeigler, and pursuant to Rule U-12C-1 and Rule U-12F-1 of said Act for the approval of certain incidental transactions which are corollary to the sale of said utility assets;

The applicant having requested permission to withdraw said applications, the Commission, being fully advised in the premises, hereby consents to the withdrawal of the above-named applications, and to that effect

It is so ordered.

By the Commission

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-3844; Filed, October 18, 1939; 11:02 a. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 18th day of October, A. D. 1939.

[File Nos. 43-206, 30-99]

IN THE MATTER OF ATLANTIC SEABOARD CORPORATION, AMERE GAS UTILITIES COMPANY, VIRGINIA GAS DISTRIBUTION CORPORATION, AND COLUMBIA GAS & ELECTRIC CORPORATION

NOTICE OF AND ORDER FOR HEARING

Applications and declarations pursuant to sections 5 (d), 7 and 10 and Rules U-12C-1, U-12D-1 and U-12F-1 of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named parties;

It is ordered, That a hearing on such matter be held on November 3, 1939, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That James G. Ewell or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice to continue or postpone said hearing from time to time.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before October 28, 1939.

The matter concerned herewith is in regard to certain proposed transactions by (a) Columbia Gas & Electric Corporation, a registered holding company; (b) Atlantic Seaboard Corporation, a registered holding company and wholly owned subsidiary of Columbia Gas & Electric Corporation; and (c) Amere Gas Utilities Company, Virginia Gas Distribution Corporation (public utility companies) and Virginia Gas Transmission Corporation (non-public utility company) wholly owned subsidiaries of Atlantic Seaboard Corporation, namely:

(1) Atlantic Seaboard will sell to Columbia for $6,183,872.70 in cash, all of the common stock and indebtedness of Amere Gas Utilities Company, Virginia Gas Distribution Corporation, and Virginia Gas Transmission Corporation;

(2) Atlantic Seaboard will acquire from Columbia, as a capital contribution, $1,295,000 principal amount of Atlantic Seaboard's presently outstanding 6% Income Demand Notes;

(3) Atlantic Seaboard will increase its authorized common stock, $10 par value, from 200,000 to 350,000 shares; will sell 300,000 shares of such stock and $3,048,000 principal amount of 6% Mortgage Notes to Columbia for $6,048,000 in cash;

The proceeds of such sales plus a small amount of Treasury funds are to be used to retire Atlantic Seaboard's presently outstanding indebtedness. The purpose of the capital contribution is to enable Atlantic Seaboard to create special capital surplus to absorb any charges to surplus which may be required in order to eliminate certain debatable items in the property account as at January 1, 1938.

Upon consummation of the above transactions, Atlantic Seaboard requests an order pursuant to Section 5 (d) of the Act, declaring that it has ceased to be a holding company. Atlantic Seaboard will retain its corporate entity but will devote itself to the operation of its pipe line facilities.

(4) Amere Gas Utilities Company will acquire from Columbia, as a capital contribution, $59,000 of Amere's presently

outstanding 6% Income Demand Loan Account (open account);

(5) Amere Gas Utilities Company will reclassify its authorized 2,000 shares of common stock, no par value, into 20,000 shares of common stock, $10 par value, will increase such 20,000 shares of common stock to 35,000 shares and will sell 34,950 shares of such stock and $360,000 principal amount of 6% Mortgage Notes to Columbia for $709,500 in cash;

(6) Virginia Gas Distribution Corporation will acquire from Columbia, as a capital contribution, $148,000 of its 6% Income Demand Loan Account (open account);

(7) Virginia Gas Distribution Corporation will decrease its authorized no par common stock from 10,000 to 5,000 shares and will reclassify said 5,000 shares into 50,000 shares of common stock, $10 par value, will sell 49,900 shares of the $10 par common stock and $433,000 principal amount of its 6% Mortgage Notes to Columbia for $932,000 in cash;

(8) Virginia Gas Transmission Corporation will acquire from Colombia, as a capital contribution, $667,000 of its 6% Income Demand Loan Account (open account) and

(9) Virginia Gas Transmission Corporation will reclassify its authorized 10,000 shares of no par common stock into 10,000 shares of common stock, $10 par value; will increase such par common stock to 200,000 shares and will sell 199,990 shares of $10 par common stock and $1,446,000 principal amount of its 6% Mortgage Notes to Columbia for $3,445,900 in cash.

The proceeds of the sales by Amere Gas Utilities Company, Virginia Gas Distribution Corporation and Virginia Gas Transmission Corporation are to be used by each of the companies to retire its outstanding demand indebtedness. The purpose of the capital contributions is to enable each of the companies to create special capital surplus accounts to absorb any charges to surplus which may be required in order to eliminate certain debatable items in the property account as at January 1, 1938.

The creation of all the capital surplus accounts are in furtherance of a plan of Columbia Gas & Electric Corporation to place its accounts and those of its subsidiaries in such a position that the assets of the system can, if required by regulatory bodies be written down to and carried at their estimated original cost (cost to the person first devoting the property to public service). The plan of Columbia was considered by the Commission in the matter of Columbia Gas & Electric Corporation, File No. 43–160, Holding Company Act Release No. 1417.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39–3848; Filed, October 18, 1939; 1:00 p. m.]